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FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)				
Revision of Part 22 of the)	CC	Docket	No.	92-115
Commission's Rules Governing the)				
Public Mobile Services)				

To: The Commission.

COMMENTS OF METROCALL, INC.

Metrocall, Inc. ("Metrocall"), through its undersigned counsel and pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, respectfully submits these Comments in response to the <u>Further Notice of Proposed Rule Making</u> ("<u>Further Notice</u>") adopted by the Commission in the above-referenced proceeding.¹

I. Statement of Interest.

Metrocall has long been authorized to provide RCC paging services pursuant to Part 22 of the Commission's Rules.

Metrocall currently provides wide-area paging services to over 260,000 subscribers at various locations throughout the United States, and continues to expand its RCC paging services in order to meet the growing public demand for rapid, efficient, and reasonably-priced one-way signalling services.

Metrocall currently holds licenses for over 100 base station transmitters operating on frequencies in the 931 MHz band, and has pending applications for approximately many more such stations. The rule changes proposed in the FCC's <u>Further Notice</u>

Further Notice of Proposed Rule Making in CC Docket No. 92-115, FCC 94-102 (released May 20, 1994).

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concerning 931 MHz services are likely to have an immediate impact on Metrocall's paging business. Moreover, due to its practical experience in this field, Metrocall is well-qualified to comment on the advantages and disadvantages of the proposed rule changes. Thus, Metrocall has standing as a party in interest to file formal comments in this proceeding.

II. Summary of Proceeding.

By a Notice of Proposed Rule Making released on June 12, 1992, the Commission proposed comprehensive revisions to Part 22 of its Rules. See Notice of Proposed Rule Making in CC Docket No. 92-115, 7 FCC Rcd. 3658 (1992) (the "Notice"). During the pendency of this proceeding, Congress enacted the Omnibus Budget Reconciliation Act of 1993 (the "Budget Act"), which amended Sections 3(n) and 332 of the Communications Act of 1934 (the "Act") to create a comprehensive new regulatory framework for all mobile services.

The <u>Further Notice</u> in this proceeding noted the Commission's progress in implementing the amended Sections 3(n) and 332 of the Act. <u>See Further Notice</u> at ¶ 3. Concurrently with the adoption of the <u>Further Notice</u>, the Commission initiated the comment period for its proposed Rules to conform the technical, operational and licensing requirements for common carrier and private mobile services classified as "commercial mobile radio services" pursuant to the Budget Act. <u>See Further Notice of Proposed Rule Making</u> in GN Docket 93-252, FCC 94-100 (released May 20, 1994). The Commission stated its belief that the

proposal for additional revisions to Part 22 could be incorporated into the new regulatory framework it is developing for CMRS, and that the changes proposed in the <u>Notice</u> and <u>Further Notice</u> would further streamline and improve processing for mobile services. Further Notice at ¶ 4.

Among the changes proposed in the <u>Further Notice</u> are: (1) requiring all 931 MHz paging applicants to specify the frequency sought; (2) adopting a definition of "initial applications" for 931 MHz services, for purposes of competitive bidding; and (3) the use of "first come, first served" processing procedures for 931 MHz modifications.

III. The Proposed Rule Changes Should Not Affect Processing of Pending 931 MHz Applications.

The <u>Further Notice</u> proposes to require all applicants for 931 MHz paging frequencies to specify the frequencies for which they seek authorization. <u>See Further Notice</u> at ¶ 16. To implement this rule change the Commission proposes to allow pending applicants a 60-day period within which to amend their applications to specify the precise frequency sought; applicants who have stated a "preference" for a particular frequency will also be required to amend to state definitely the frequency they seek. <u>Id.</u> at ¶ 17. Those applications will be placed on public notice and subject to petitions to deny and the filing of mutually exclusive applications. See id.

The procedure outlined in the <u>Further Notice</u> appears to apply only to those 931 MHz applications that do not specifically request a particular frequency, although the language used is not

entirely clear. The <u>Further Notice</u> does not indicate whether licensees and applicants that have already specified a frequency in their now pending applications will be considered to have merely stated a "preference" for that frequency.

Metrocall respectfully submits that those pending applications that indicate a particular 931 MHz frequency, should continue to be processed according to existing procedures during the pendency of this proceeding. Those applications should not be deemed to merely state a "preference" and considered as part of the "processing group" of applications requiring amendment. In most cases, a particular frequency has been selected because the applicant is already licensed to operate on that frequency in other locations.

The continued processing of 931 MHz applications that specify a particular frequency would not prejudice potential applicants; potential applicants for those frequencies are already given adequate opportunity to file competing proposals under the current public notice procedures. Moreover, by continuing to process and grant those 931 MHz applications already specifying the requested frequency, the Commission will further its stated goal of "eliminat[ing] the backlog in pending 931 MHz applications", id. at ¶ 17; and will ensure that service to the public is not delayed by the pendency of this proceeding.

IV. Definition of "Initial Applications".

The <u>Further Notice</u> observes that, pursuant to the Budget Act, the Commission may utilize competitive bidding procedures to

select among mutually exclusive applications for initial licenses, and that applications to modify existing facilities are generally not subject to competitive bidding. See Further Notice at ¶ 18. The Commission previously stated, however, that it may treat certain modifications as "initial" applications, and the Further Notice proposes several instances in which a 931 MHz application will be treated as an "initial" application for purposes of competitive bidding. Id.

Specifically, the <u>Further Notice</u> proposed that the following would be considered "initial" applications: (1) an application anywhere on a new frequency, and (2) a proposal to operate a new facility more than two kilometers (1.6 miles) from an existing facility on the same frequency. <u>Id</u>. Additionally, by limiting the definition of what would qualify as a "modification" for 931 MHz facilities, the Commission included relocations of stations by more than 1.6 miles and any technical changes increasing a station's service contour as "initial" applications. <u>See Id</u>.

Metrocall respectfully submits that the Commission's proposal defines "modifications" for 931 MHz paging systems far too narrowly. Under the Commission's proposed 1.6 mile limit for additional facilities and site relocations, along with its classification of even de minimis extensions of service areas as "initial" applications, very few modifications to existing 931 MHz systems would be exempt from the possibility of competitive bidding. This proposal will severely hinder the growth and improvement of existing paging systems, while causing enormous

delays in the processing of relatively minor system modifications.

For example, the relocation of one transmitter in a widearea system by several miles, or the addition of a new
transmitter to such a system, may not substantially increase the
existing service area of the licensee; yet, there may be
legitimate business reasons for making such modifications (such
as the loss of a transmitter site). By focusing on the location
of the proposed transmitter site in relation to existing
transmitter sites, rather than on the substantiality of the
effect of certain modifications on a licensee's service area, the
Commission's proposal may have the undesirable, and presumably
unintentional result of delaying and increasing the cost of
modifications that are necessary to improve existing paging
services or prevent disruptions in service.

As another example, the <u>Further Notice</u> does not explain how so-called "fill-in" transmitters will be treated under the Commission's proposal. Since such additional base station transmitters do not extend a licensee's existing service and interference contours, they should be within the Commission's proposed definition of a permissible "modification." <u>See Further Notice</u> at ¶ 18. Under both the current Rules and the proposed Rules, the addition of "fill-in" paging transmitters is a permissive, minor modification; the licensee need not seek prior

² See 47 C.F.R. § 22.117(b)(ii); and see Notice at Appendix
B (proposed § 22.165).

authority to construct such a transmitter. See 47 C.F.R. §

22.117(b); and see Notice at Appendix B (proposed § 22.165). It
is unclear from the Further Notice, however, whether a 931 MHz

"fill-in" transmitter located more than 1.6 miles from the
licensee's existing base stations would be treated as an

"initial" application, subject to the full application and public notice requirements of the Rules. Such a result would hardly accomplish the Commission's stated goal of "streamlining" the processing of Part 22 applications. See Further Notice at ¶ 2.

The Commission has already interpreted the Budget Act to generally preclude the use of auctions for mutually exclusive modification applications. See Second Report and Order in PP Docket No. 93-253, FCC 94-61, at ¶ 39 (released April 20, 1994) ("Second Auction Order") ("competitive bidding is not permitted 'in the case of a ... modification of the license"). In holding that some cases may require a modification application to be treated as an "initial" application, the FCC was influenced by certain commenters' concerns regarding "modifications so major as to dwarf the licensee's currently authorized facilities." Id. at ¶¶ 37-38.

Despite the Budget Act's disdain of auctions for license modification applications, the FCC has proposed to subject 931 MHz applicants to the possibility of auctions for modifications that might not result in substantial changes to their paging systems. The FCC has not suggested imposing a similarly rigid definition of "modifications" upon paging licensees operating on

any frequencies other than 931 MHz, or on licensees of any other mobile services. That is arbitrary, unfair, and apparently contrary to this agency's Congressional mandate.

One of the Budget Act's primary goals is the achievement of "regulatory symmetry" between providers of similar services. See Second Report and Order in GN Docket No. 93-252, FCC 94-31, at \ 14 (released March 7, 1994), citing H.R. Rep. 103-213, 103rd Cong., 1st Sess. 494 (1993). The <u>Further Notice</u> does not attempt to explain the reasons for the disparate burdens it proposes to place upon 931 MHz paging licensees.

Metrocall respectfully submits that, if any modification applications are to be considered "auctionable," the category of "auctionable" modifications should be limited to those "so different in kind or so large in scope and scale" as to effectively constitute applications for new services. See Second Auction Order, FCC 94-61 at ¶ 37. "Auctionable" modifications might include applications for a new frequency and applications for new service areas that do not overlap with the licensee's existing service areas. Under such an approach, a licensee seeking to expand and improve its existing services would not be faced with the added costs and extraordinary delays an auction would impose. Metrocall respectfully submits that the public

³ If the Commission's auction procedures for narrowband PCS are any indication, the costs and delays inherent in a mobile services auction may be quite substantial. The requirements of upfront payments, minimum opening bids and minimum bid increments would greatly increase the costs of obtaining a modification of license. Such additional costs would have the greatest impact upon smaller service providers who are attempting to expand and

interest in the "rapid deployment of new ... services" would best be served by permitting licensees to make necessary modifications to their existing systems without the additional costs and "administrative delays" that the auction process will entail.

See 47 U.S.C. § 309(j)(3).

improve their systems in order to remain competitive. Thus, the use of auctions for most license modifications may well defeat their intended purpose of "promoting economic opportunity and competition." See 47 U.S.C. § 309(j)(3).

Conclusion

A number of the proposals for 931 MHz paging operations contained in the <u>Further Notice</u> that are intended to "streamline" application processing may have the unintended opposite impact on this class of licensees. Metrocall requests that the Commission consider carefully the comments raised by 931 MHz licensees in this proceeding, and craft Rules that will enable 931 MHz licensees to share in the benefits of the Commission's new regulatory regime, without carrying an inordinate amount of the burdens.

Respectfully submitted,

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June 20, 1994

CERTIFICATE OF SERVICE

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